

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 34 – SB 1256

March 1, 2023

SUMMARY OF BILL: Requires residential landlords in Shelby County to register with the county or with the respective jurisdiction in Shelby County in which the dwelling units are located.

FISCAL IMPACT:

Increase Local Revenue –

\$27,300/FY23-24 and Subsequent Years/Permissive/Shelby County

Assumptions:

- Tennessee Code Annotated § 66-28-107:
 - Requires each landlord in Davidson County to furnish to the county the landlord or landlord's agent's name, telephone number, and physical address, as well as the street address and unit number of each dwelling the landlord may lease; and
 - Authorizes Davidson County to charge a landlord permit fee not to exceed \$10 and to assess a \$50 weekly fine against landlords who fail to register or fail to send notification of change of ownership.
- The proposed legislation extends these provisions to Shelby County.
- Based on information from the U.S. Census Bureau and the 2020 Census:
 - Davidson County has a population of 715,884, accounting for 10 percent of Tennessee's population.
 - Shelby County has a population of 929,744, accounting for 13 percent of Tennessee's population.
- In FY21-22, Davidson County issued 2,102 landlord permits.
- If Davidson County accounts for ten percent of Tennessee's total landlord population, then it is estimated that there are 21,020 (2,102 permits / 10%) landlords in the state.
- Shelby County would account for 2,733 landlords (21,020 total landlords x 13%).
- Assuming the number of landlords remains constant and Shelby County charges the full fee allowable under law, there will be a recurring, permissive increase to local revenue in Shelby County of \$27,330 (2,733 landlords x \$10 permit fee), beginning in FY23-24.
- Based on information provided by the Metropolitan Government of Nashville and Davidson County, the vast majority of unregistered landlord violations are resolved without going to court; therefore, there has not been a significant number of fines assessed over the past five fiscal years.

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- Due to the lack of violations incurring fines in Davidson County, it is assumed that authorizing Shelby County to assess a \$50 weekly fee against a non-compliant landlord will not result in any significant increase to local revenue.
- Shelby County will be able to implement a registration system for residential landlords utilizing existing staff and resources, resulting in no significant fiscal impact to local government.

IMPACT TO COMMERCE:

Increase Business Expenditures – \$27,300/FY23-24 and Subsequent Years

Assumptions:

- Requiring Shelby County landlords to register with the county will result in a recurring increase in business expenditures of \$27,330 (2,733 landlords x \$10 permit fee), beginning in FY23-24.
- Davidson County landlords have not paid a significant number of fines over the past five fiscal years; therefore, authorizing Shelby County to assess a \$50 fine against non-compliant landlords will have no significant impact to business expenditures.
- The proposed legislation is not estimated to have any impact to jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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